BEFORE THE U.S. DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C.

| Applications of) | |
|--|------------------------------|
| CENTURION AIR CARGO, INC.) CAPITAL CARGO INTERNATIONAL) | Docket OST-2005-21709 |
| AIRLINES, INC. FLORIDA WEST INTERNATIONAL) | Docket OST-2005-22149 |
| AIRWAYS, INC. | Docket OST-2005-22151 |
| for an exemption pursuant to 49 U.S.C. § 41101) and designations (U.SMexico scheduled) all cargo services) | |

SUPPLEMENT TO APPLICATION OF CENTURION AIR CARGO, INC. FOR AN EXEMPTION

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BEFORE THE U.S. DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C.

Applications of

CENTURION AIR CARGO, INC.

CAPITAL CARGO INTERNATIONAL

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for an exemption pursuant to 49 U.S.C. § 41101

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Docket OST-2005-22149

Docket OST-2005-22151

SUPPLEMENT TO APPLICATION OF CENTURION AIR CARGO, INC. FOR AN EXEMPTION

Centurion Air Cargo, Inc. ("Centurion") submits this supplement to its application for U.S. – Mexico all-cargo exemption authority in reponse to the Department's Notice of October 5, 2005, concerning the liberalized U.S. – Mexico Air Transport Agreement of September 21, 2005. The amended Agreement eliminates the prior cap on the number of U.S. all-cargo carriers that may be designated to serve Mexico and increases to 3 the number of all-cargo carriers that may be designated in most city-pair markets. As a result of these changes, the Department can grant the majority of the markets requested by Centurion in it pending application. Specifically, the Department can immediatel grant its requested authority for the following city-pairs: Los Angeles - Mexico City, Boston – Mexico City, Huntsville – Mexico City, Boston – Guadalajara and Huntsville – Guadalajara. Centurion also urges the Department

¹ Department of Transportation Press Release, DOT 133-05 (Sept. 21, 2005).

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Application for an Exemption.
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to grant it the contested routes of Los Angeles – Guadalajara and Miami – Mexico
City/Guardaljara.

Under the pending applications, Centurion requests designation and exemption authority for the transport of property and mail between Boston, Massachusetts ("BOS"), Huntville, Alabama ("HSV"), Los Angeles, California ("LAX"), Miami, Florida ("MIA"), on the one hand, and Mexico City ("MEX") and Guadalajara ("GDL"), Mexico, on the other. Capital Cargo International Airlines, Inc. ("Capital") requests designation and exemption authority to operate between Toledo, Ohio and Satillo-Guadalajara-Monterrey. Application for Exemption and Designation, OST-2005-22149 (August 15, 2005). Florida West International Airlines, Inc. ("FWIA") proposes to operate routes between MIA, LAX, Chicago O'Hare International Airport, Illinois ("ORD"), and Houston, Texas ("IAH"), on the one hand, and MEX/GDL, on the other. Application for Exemption, OST-2005-22151 (August 15, 2005).

As noted in Centurion's initial application, the previous U.S.-Mexico Air Transport

Agreement allowed five all-cargo designations, with no more than one carrier operating between

most city pairs. Exceptions to this rule included MIA-MEX, MIA-GDL, and LAX-GDL, which

allowed two carrier designations, and LAX-MEX, which allowed three. The table below shows
the current U.S.-Mexico all-cargo designations:

TABLE 1

| Route | Designations Previous Max | Designations Used | Carriers Holding Designation |
|-------------|------------------------------|----------------------|------------------------------|
| MEXICO CITY | Y (MEX) | | |
| LAX-MEX | 3 | 1 | Astar Air Cargo ("Astar") |
| MIA-MEX | 2 | 1 | Amerijet |
| HSV-MEX | 1 | 0 | |
| BOS-MEX | 1 | 0 | |
| ORD-MEX | 1 | 0 | |
| IAH-MEX | 1 | 0 | |

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| MSY-Toluca | 1 | 0 | Federal Express |
|---------------|-------|---|-------------------------------------|
| GUADALAJARA (| (GDL) | | |
| LAX-GDL | 2 | 1 | UPS |
| MIA-GDL | 2 | 1 | Amerijet International ("Amerijet") |
| HSV-GDL | 1 | 0 | |
| BOS-GDL | 1 | 0 | |
| TOL-GDL | 1 | 0 | |
| IAH-GDL | 1 | 0 | |

The new U.S.-Mexico agreement permits three U.S. all-cargo carrier designations between most city-pairs. The relevant exceptions are MEX and GDL. The new Agreement allows a total of five all-cargo carrier designations between points in the U.S. and MEX. However, no more than one U.S. carrier may operate in any U.S.-MEX city-pair, except, as relevant here, MIA, with two designations, and LAX, with three. The table below compares the designations created by the liberalized agreement with the number of designations requested under the Centurion, Capital, and FWIA applications:

TABLE 2²

| Route | Designations Max | Designations Used | Designations Sought | Carriers Seeking Designation |
|------------|---------------------|----------------------|------------------------|---------------------------------|
| MEX | | | | |
| MIA-MEX | 2 | 1 | *2 | Centurion; FWIA |
| LAX-MEX | 3 | 1 | 2 | Centurion; FWIA |
| HSV-MEX | 1 | 0 | 1 | Centurion |
| BOS-MEX | 1 | 0 | 1 | Centurion |
| ORD-MEX | 2 | 0 | 1 | FWIA |
| IAH-MEX | 2 | 0 | 1 | FWIA |
| MSY-Toluca | 3 | 1 | 0 | |
| GDL | • | | | |
| LAX-GDL | 2 | 1 | *2 | Centurion; FWIA |
| MIA-GDL | 2 | 1 | *2 | Centurion; FWIA |
| HSV-GDL | 2 | 0 | 1 | Centurion |
| BOS-GDL | 2 | 0 | 1 | Centurion |
| TOL-GDL | 2 | 0 | 1 | Capital |

² Designations sought that appear in bold and with an asterisk are contested. The remainder may be granted without a selection process.

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| IAH-GDL | 2 | 0 | 1 | FWIA | |
|---------|---|---|---|------|--|
|---------|---|---|---|------|--|

Under the amended Agreement, the Department has ample authority to grant immediately Centurion's application for designation in the BOS-MEX and HSV-MEX markets. As the Department noted in its Notice, Astar, Amerijet, and Federal Express hold three of the five available all-cargo designations to Mexico City.³ However, the Department also noted that the amended Agreement treats MEX and Toluca as distinct points.⁴ Accordingly, since the current Federal Express authority applies to Toluca, three designations remain at MEX.⁵ Accordingly, Centurion respectfully requests that the Department grant immediately its application for LAX-MEX, BOS-MEX, and HSV-MEX route authority.⁶ Specifically, the new Agreement provides for three carriers in the LAX-MEX market. Currently, only Astar Air Cargo operates in this market; because there are only two pending applications – Centurion and FWIA – the Department should approve them immediately. The Agreement also allows one carrier to operate from each of BOS and HSV to MEX. Neither designation is in use and Centurion urges the Department to grant it this route authority immediately.

Similarly, Centurion respectfully requests that the Department immediately grant its uncontested applications for authority between BOS-GDL and HSV-GDL. The amended U.S.-Mexico bilateral provides for two carriers in each city-pair. Currently, there are no designated carriers operating from BOS or HSV to GDL, allowing immediate grant of the this application.

³ Department of Transportation Notice of October 5, 2005, p. 2 at n. 6.

⁴ Under the September 21, 2005 U.S.-Mexico Agreement, Toluca will be a separate point form MEX have three all-cargo designations of its own.

⁵ See Notice of Action Taken, Docket OST 2004-18707 (August 27, 2004) (granting FedEx route authority between, in relevant part, New Orleans (MSY) and Mexico City (Toluca)).

⁶ Previously, Atlas Air Cargo held a designation between HSV-MEX, along with LAX-MEX/GDL. On June 6, 2005, Atlas informed DOT that was ceasing scheduled all-cargo operations to points in Mexico and relinquished these designations.

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Finally, Centurion respectfully requests that the Department grant to it the remaining contested authority in the LAX-GDL and MIA-MEX/GDL markets. As discussed in its August 30, 2005, and September 9, 2005, filings, Centurion service is superior to that proposed by FWIA. Most significantly, FWIA's interlocking relationship with MAS de Carga through Lan, strongly militates against awarding FWIA the only remaining authority to these limited entry routes.⁷

Grant of Centurion's applications to the extent possible without further proceedings will best serve the public interest by expediting use of the new rights and expanding all-cargo service between the U.S.-Mexico. Shippers in cities currently served will benefit from the increased competition in these markets, while shippers in newly served cities will gain valuable access to international markets. Centurion requests this its designations to U.S. and Mexican cities be awarded as coterminal points so that it may operate the service pattern requested in its application and amended application.

Respectfully submitted,

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October 17, 2005

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⁷ In the alternative, the new Agreement will allow a third carrier to operate between any U.S. point and GDL beginning October 26, 2007. Should the Department not select Centurion at this time, it requests award of the MIA/LAX-GDL designations that begin on that date. Centurion asks that the Department grant it such authority immediately so that Centurion may commence all-cargo operations on these routes as soon as they become effective.

CERTIFICATE OF SERVICE

I certify that, on October 17, 2005, I caused to be served a copy of the Supplement to Application upon those persons listed below:

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